

**Summer 2005** 

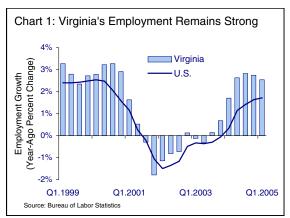
## Virginia

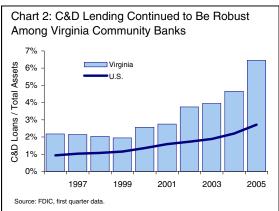
#### Strong job growth may be moderating in Virginia.

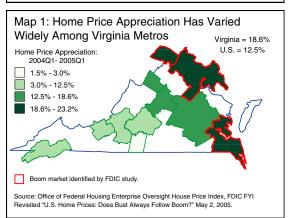
- Despite moderating in early 2005, Virginia's remains among the nation's fastest growing states. In first quarter 2005, year-ago job growth in the state stood at 2.5 percent, significantly ahead of the national average (See Chart 1). The state's labor markets have continued to tighten, and jobless rates are well below the national average. Moving into second quarter 2005, however, monthly reports suggest that job growth may cool in several sectors of the economy.
- Economic performance has varied widely across the state. In first quarter 2005, several metropolitan areas, including greater **Washington**, **D.C.**, continued to grow at a rate well in excess of the national average. In contrast, Danville continued to shed jobs, albeit at a less severe rate.
- In May 2005, the Base Realignment and Closure (BRAC) Commission released its initial recommendations, which would result in a net loss of 1,500 military and civilian positions in the state of Virginia. More critical, however, may be the uncertain impact of the BRAC Commission's recommendation to shift over 20,000 workers out of commercial real estate space which does not meet stricter security guidelines. Such a move could have a substantial affect on **Northern Virginia's** office market where the Pentagon accounts for approximately 8 million square feet of space spread across 140 sites.

# Residential construction lending is supporting an active housing market. <sup>1</sup>

- Homebuilding in Virginia continued to expand during 2004, as residential permit issuance reached record highs. Thus far in 2005, however, the pace of construction has moderated. Similarly, home sales, though continuing to climb, have done so at a more modest rate.
- Construction and development (C&D) lending grew nearly 37 percent from a year ago resulting in a median







<sup>&</sup>lt;sup>1</sup>Community banks include all financial institutions with assets less than \$1 billion and exclude specialty and de novo institutions.

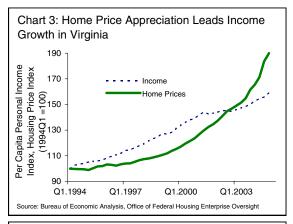
C&D loan exposure of 6.5 percent of assets, up from 4.7 percent a year earlier. The median C&D exposure levels in the state have approximated two times the national level for the last decade (See Chart 2). The **Richmond** metropolitan area reported the highest C&D exposure statewide at 112 percent of capital at first quarter 2005 compared to 95 percent a year earlier.

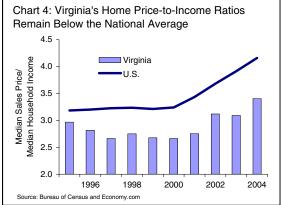
### Home price appreciation greatly outstrips income growth in some markets.

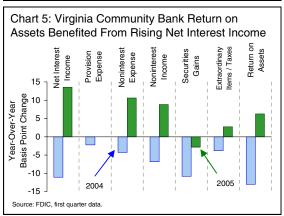
- Reflecting continued strong market activity, home prices in the state continue to rise at a rate significantly above the national average. However, price appreciation varies widely, particularly between eastern and western areas of the state (See Map 1). Gains in excess of 30 percent in some Northern Virginia sub-markets are not uncommon. A recent FDIC study identified 55 "boom" markets nationwide that had rapid price gains in 2004—three of which were located in Virginia.<sup>2</sup>
- Anecdotal reports suggest a growing level of speculation in the Northern Virginia condominium market because of multiple sales or "flipping" of pre-completion units. In contrast, housing prices along the North Carolina border, where economic growth has not been as robust, have struggled to keep pace with inflation. Indeed, in Henry County and the New River Valley area, April sales prices actually were down from year-ago levels.
- Gains in income have failed to keep pace with the robust home price appreciation (See Chart 3). Though still below the national average, the ratio of home prices to incomes rose to a record high in 2004 (See Chart 4). Consequently, affordability may emerge as an issue in Virginia. In 2004, estimated median household income of \$63,179 was 5.6 percent below the amount needed to finance the purchase the median priced house in Virginia. This shortfall may explain why slightly more than 40 percent of all securitized mortgage originations in the state were interest-only mortgages in 2004. The increased use of innovative lending products may suggest that homebuyers are stretching to purchase higher priced homes. Interest-only mortgages may expose homebuyers to greater repayment risk when the interest rate resets or amortization begins.

#### Bank returns improve on gains in total revenue.

 During first quarter 2005, Virginia community banks had an increase in their return on assets (ROA). Both net interest and fee income surged during the quarter adding roughly 21 basis points to total income. However, average ROA grew only 6 basis points to 1.08 percent as banks incurred higher operating costs (See Chart 5).







<sup>&</sup>lt;sup>2</sup>Cynthia Angell and Norman Williams, FDIC FYI Revisited "U.S. Home Prices: Does Bust Always Follow Boom?" May 2, 2005. www.fdic.gov/bank/analytical/fyi/2005/050205fyi.html. A boom market is defined as one in which inflation-adjusted home prices rose by at least 30 percent during the 2001-2004 period.

Assumes buyer purchases home with a 20 percent down payment, 30-year fixed-rate mortgage, and dedicates 30 percent of gross monthly income to debt service, taxes and insurance.
 Peter Coy, "A Growing Tide of Risky Mortgages," Business Week, May 18, 2005.

## Virginia at a Glance

<b>ECONOMIC INDICATORS</b>	Change from ve	ear ano quarter	unless noted)
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Total Nonform (Inforce of maling four quartee employment in pozentheses)	Employment Growth Rates	Q1-0 <b>5</b>	<b>Q1-04</b>	Q1-03	<b>Q1-02</b>	Q1-01
Orber (por-manufacturing) Goods-Producing (7%)         5.8%         5.8%         1.3%         1.18%         2.8%         2.2%         0.2%         0.2%         9.9%         2.2%           Coorsemant (18%)         1.5%         1.7%         0.2%         0.9%         2.2%           Coorsemant (18%)         1.5%         1.7%         0.4%         0.6%         1.2%           Unemployment Rate (% of lobor force)         3.3         3.3         3.1         4.1         4.2           Other Indicators         0.1-95         0.1-96         0.1-96         0.1-02         0.1-02           Single Fomily Home Permits         2.25%         6.6%         5.1.7%         9.5%         2.5%         7.5		2.5%	1.7%	-0.1%	-1.1%	1.6%
Private Service Producting (67%)   2.9%   2.2%   2.9%						
Some numer						
Denemplayment Rate (\$ of lebor force)   3.3   3.7   4.1   4.1   2.4     Chlor India Cardon   10-105   01-104   01-103   01-02   01-104     Personal Income   N/A   5.8%   2.8%   2.25%   7.5%     Single-Family Home Permits   2.26%   6.8%   -1.7%   3.6%   5.75%     Single-Family Home Permits   2.26%   6.8%   -1.7%   3.6%   5.75%     Existing Home Soles   9.4%   7.4%   3.2%   16.8%   4.5%     Bank Burbly Filings per 1000 people (quorterly level)   13.1   13.1   15.1   15.1     BANKINO TERMS   11.1%   6.4%   6.15%   1.15     BANKINO TERMS   11.1%   14.1   14.7   14.7   1.51     BANKINO TERMS   14.1   14.1   14.7   14.7   14.1   14.7     Total Assats (in millional   2.77,489   190.318   156,844   111,801   95,946     New Institutions (# < 3 years)   1.1   1.0   0.0   0.0     Asset Quality   1.1   1.1   1.0   0.0   0.0     Asset Quality   1.1						
Person   Income   NA   S1-94   C1-93   C1-92   C11-92   C1-92   C1-						
Personal Income	• •					
Single-Fornily Home Permits   3-87   3-84   3-25						
Mulfinomily Suidling Permits						
Existing   Home Soles   9.4%   7.4%   3.2%   16.8%   6.6%   Home Price Index   18.8%   11.1%   8.4%   8.2%   8.23%   8.28%						
Home Price Index						
Bankund TRENDS   1.31   1.50   1.55   1.47   1.51						
BankING TRENDS						
Ceneral Information   Class		1.31	1.50	1.00	1.47	1.51
Institutions (#)	BANKING TRENDS					
Total Assets (in millions)   237,488   190,318   156,644   111,801   95,946   New Institutions (# < 3 years)   12   10   9   15   28   28   29   29   20   10   11   12   11   13   13						
New Institutions (# < 3 years)   12   10   9   15   26						
Subchapter S Institutions						
Asset Quality						
Past-Due and Nonaccrual Loans / Total Loans (median %)   1.12   1.41   1.124   1.22   1.51     ALLL/Total Loans (median multiple)   3.23   2.49   2.98   2.99   2.35     Net Loan Losses / Total Loans (median multiple)   3.23   2.49   2.98   2.99   2.35     Net Loan Losses / Total Loans (median %)   0.08   0.10   0.09   0.10   0.09     Capital / Farnings   0.105   0.104   0.103   0.102   0.101     Tier I Leverage (median %)   8.88   8.78   8.49   8.63   8.72     Return on Assets (median %)   1.07   1.03   1.14   1.10   1.112     Pretax Return on Assets (median %)   1.52   1.46   1.57   1.50   1.52     Net Interest Margin (median %)   4.35   4.27   4.33   4.36   4.31     Yield on Earning Assets (median %)   2.70   2.66   2.80   2.01   0.17     Provisions to Avg. Assets (median %)   0.20   0.20   0.20   0.21   0.17     Provisions to Avg. Assets (median %)   0.65   0.67   0.70   0.70   0.73     Overhead to Avg. Assets (median %)   3.10   3.06   3.05   3.04   3.01     Liquidity / Sensitivity   0.105   0.104   0.103   0.102   0.101     Liquidity / Sensitivity   0.105   0.104   0.103   0.102   0.101     Loans to Assets (median %)   1.89   16.2   16.6   15.8   15.2     Long-term Assets to Assets (median %)   1.89   16.2   16.6   15.8   15.2     Long-term Assets (median %)   0.105   0.104   0.103   0.102   0.101     Toked Deposits to Assets (median %)   0.105   0.104   0.103   0.102   0.101     Loans to Assets (median %)   1.54   18.1   17.6   19.4   16.7     Rokered Deposits (number of institutions)   3.33   3.03   3.3   2.6   2.2     Brokered Deposits to Assets (median % of Tier 1 Capital)   0.105   0.104   0.103   0.102   0.104     Loans to Assets (median % of Tier 1 Capital)   0.105   0.104   0.103   0.102   0.104     Loans to Assets (median % of Tier 1 Capital)   0.105   0.104   0.103   0.102   0.104     Loans to Assets (median % of Tier 1 Capital)   0.105   0.104   0.103   0.102   0.104     Loans to Assets (median % of Tier 1 Capital)   0.105   0.104   0.103   0.102   0.104     Loans to Assets (median % of Tier	·	·	•			
ALLI/Noncurrent Loans (median multiple)   3.23   2.49   2.98   2.99   2.38   2.99   2.38   2.99   2.38   2.99   2.38   2.99   2.38   2.99   2.38   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.98   2.99   2.90						
Mall Noncurrent Loans (median multiple)   3.23   2.49   2.98   2.99   2.05     Net Loan Losses / Total Loans (median %)   0.09   0.10   0.09   0.10   0.09     Capital / Earnings   01-05   01-04   01-03   01-02   01-01     Tier   Leverage (median %)   8.88   8.78   8.49   8.63   8.72     Return on Assets (median %)   1.07   1.03   1.14   1.10   1.12     Pretax Return on Assets (median %)   1.52   1.46   1.57   1.50   1.52     Net Interest Margin (median %)   4.35   4.27   4.33   4.36   4.31     Yield on Earning Assets (median %)   6.38   6.91   7.14   7.43   7.71     Cost of Funding Earning Assets (median %)   2.70   2.66   2.80   3.07   3.41     Provisions to Avg. Assets (median %)   0.20   0.20   0.20   0.21   0.17     Noninterest Income to Avg. Assets (median %)   0.50   0.50   0.50   0.50   0.50     Coverhead to Avg. Assets (median %)   0.10   0.10   0.10     Liquidity / Sensitivity   01-05   01-04   01-03   01-02   0.10     Loans to Assets (median %)   71.7   67.7   68.0   66.6   67.1     Loans to Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets to Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets (median %)   18.9   16.7   67.7   68.0   66.6   67.1     Brokered Deposits (number of institutions)   18.9   16.2   16.6   15.8   15.2     Loan Concentrations (median % of Tier 1 Capital)   0.1-05   0.1-04   0.1-03   0.1-02   0.1-04     Loans to Assets (median % of Tier 1 Capital)   0.1-05   0.1-04   0.1-03   0.1-02   0.1-04     Commercial and Industrial   0.1-05   0.1-04   0.1-03   0.1-02   0.1-04     Loan Concentrations (median % of Tier 1 Capital)   0.1-05   0.1-04   0.1-03   0.1-02   0.1-04     Loans to Assets (median % of Tier 1 Capital)   0.1-05   0.1-04   0.1-03   0.1-02   0.1-04     Commercial Roal Estate   0.1-05   0.1-05   0.1-05   0.1-05   0.1-05   0.1-05						
Net Loan Losses / Total Loans (median %)   0.08   0.10   0.09   0.10   0.09   0.10   0.09   0.10   0.09   0.10   0.09   0.10						
Capital / Earnings         Q1-05         Q1-04         Q1-03         Q1-02         Q1-01           Tier I Leverage (medion %)         8.88         8.78         8.49         8.63         8.72           Return on Assets (medion %)         1.07         1.10.3         1.14         1.10         1.12           Pretux Return on Assets (medion %)         1.52         1.46         1.57         1.50         1.52           Net Interest Margin (medion %)         4.35         4.27         4.33         4.36         4.31           Yield on Eorning Assets (medion %)         6.98         6.91         7.14         7.43         7.71           Cost of Funding Earning Assets (medion %)         2.70         2.66         2.80         3.07         3.41           Provisions to Avg. Assets (medion %)         0.65         0.67         0.70         0.70         0.73           Noninterest Income to Avg. Assets (medion %)         0.65         0.17         0.70         0.70         0.73           Cverhead to Avg. Assets (medion %)         1.10         0.1-04         0.1-03         0.1-02         0.1-01           Long to Endigity (Sensitivity         0.1-05         0.1-04         0.1-03         0.1-02         0.1-01           Lons to Assets (medion %)<						
Tier   Leverage (median %)   8.88   8.78   8.49   8.63   8.72   Return on Assets (median %)   1.07   1.03   1.14   1.10   1.12   Pretax Return on Assets (median %)   1.52   1.46   1.57   1.50   1.52   Net Interest Margin (median %)   4.35   4.27   4.33   4.36   4.31   Yield on Earning Assets (median %)   2.70   2.66   2.80   3.07   3.41   Provisions to Avg. Assets (median %)   0.20   0.20   0.20   0.21   0.17   Noninterest Income to Avg. Assets (median %)   0.05   0.67   0.70   0.70   0.73   Overhead to Avg. Assets (median %)   3.10   3.06   3.05   3.04   3.01   Liquidity / Sensitivity   0.10   0.105   0.104   0.103   0.102   0.101   Loans to Assets (median %)   71.7   67.7   66.0   66.6   67.1   Noncore Funding to Assets (median %)   71.7   67.7   66.0   66.6   67.1   Noncore Funding to Assets (median %)   1.89   16.2   16.6   15.8   15.2   Long-term Assets (median %)   3.3   3.3   3.3   3.3   2.6   2.2   Brokered Deposits (number of institutions)   3.3   3.0   3.3   2.6   2.2   Brokered Deposits (number of institutions)   3.3   3.0   3.3   2.6   2.2   Brokered Deposits (number of institutions)   71.5   78.9   84.9   83.3   87.1   Commercial and Industrial   71.5   78.9   84.9   83.3   87.1   Commercial and Industrial   71.5   78.9   84.9   83.3   87.1   Commercial and Industrial   69.6   60.6   56.6   56.6   59.6   6.1   Noncosidential Real Estate   9.6   66.6   56.6   56.6   59.6   59.6   6.1   Nonresidential Real Estate   9.6   66.6   56.6   56.6   59.6   59.6   6.1   Nonresidential Real Estate   9.6   66.6   56.6   56.6   56.6   56.6   56.6   56.6   Nonresidential Real Estate   9.7   9.7   9.7   9.7   9.7   9.7   Residential Real Estate   9.7	· · · · · · · · · · · · · · · · · · ·					
Return on Assets (median %)         1.07         1.03         1.14         1.10         1.12           Pretox Return on Assets (median %)         1.52         1.46         1.57         1.50         1.52           Net Interest Morgin (median %)         4.35         4.27         4.33         4.36         4.31           Yield on Earning Assets (median %)         6.98         6.91         7.14         7.43         7.71           Cost of Funding Earning Assets (median %)         2.70         2.66         2.80         3.07         3.41           Provisions to Avg. Assets (median %)         0.65         0.67         0.70         0.70         0.73           Noninterest Income to Avg. Assets (median %)         0.65         0.67         0.70         0.70         0.73           Overhead to Avg. Assets (median %)         3.10         3.06         3.05         3.04         3.01           Liquidity / Sensitivity         0.10-5         0.10-4         0.10-3         0.10-2         0.10-1           Noncore Funding to Assets (median %)         71.7         67.7         66.0         66.6         67.1           Noncered Deposits (number of institutions)         3.3         3.0         3.3         2.6         2.2           Brokered Deposits (						
Pretax Return on Assets (median %)         1.52         1.46         1.57         1.50         1.52           Net Interest Margin (median %)         4.35         4.27         4.33         4.36         4.37           Yield on Earning Assets (median %)         6.88         6.91         7.14         7.43         4.77           Cost of Funding Earning Assets (median %)         2.70         2.66         2.80         3.07         3.41           Provisions to Avg. Assets (median %)         0.85         0.67         0.70         0.70         0.73           Noninterest Income to Avg. Assets (median %)         0.85         0.67         0.70         0.70         0.73           Overhead to Avg. Assets (median %)         0.85         0.67         0.70         0.70         0.73           Overhead to Avg. Assets (median %)         0.10         0.10         0.10         0.03         3.01         3.01           Long term Assets (median %)         18.19         16.2         16.6         15.8         15.2           Long term Assets (median % of Michiers)         15.4         18.1         17.5         16.6         15.8         15.2           Long-term Assets (median % of term Colority (male of these above)         4.8         5.0         2.7         5.6 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Net Interest Margin (medion %)         4.35         4.27         4.33         4.36         4.31           Yield on Earning Assets (medion %)         6.98         6.91         7.14         7.43         7.71           Cost of Funding Earning Assets (median %)         2.70         2.66         2.80         3.07         3.41           Provisions to Avg. Assets (median %)         0.20         0.20         0.21         0.17           Noninterest Income to Avg. Assets (median %)         0.65         0.67         0.70         0.70         0.73           Overhead to Avg. Assets (median %)         3.10         3.06         3.05         3.04         3.01           Liquidity / Sensitivity         0.10         0.10         0.10         0.10         0.10         0.10           Liay (stry to Special (median %)         1.17         66.7         66.0         66.6         67.1           Noncore Funding to Assets (median %)         18.9         16.2         16.6         15.8         15.2           Long term Assets to Assets (median % call filers)         18.9         16.2         16.6         15.6         15.2           Brokered Deposits (number of institutions)         3.3         3.0         3.3         26         22           Brokered De						
Yield on Earning Assets (median %)         6.98         6.91         7.14         7.43         7.71           Cost of Funding Earning Assets (median %)         2.70         2.66         2.80         3.07         3.41           Provisions to Avg. Assets (median %)         0.20         0.20         0.20         0.21         0.17           Noninterest Income to Avg. Assets (median %)         0.65         0.67         0.70         0.70         0.73           Overhead to Avg. Assets (median %)         3.10         3.06         3.05         3.04         3.01           Liquidity / Sensitivity         0.105         0.1-04         0.1-03         0.1-02         0.1-01           Loans to Assets (median %)         71.7         67.7         66.0         66.6         15.8         15.2           Loans to Assets (median %)         11.7         67.7         66.0         66.6         15.8         15.2           Loan Consultation (a)         15.4         18.1         17.6         19.4         16.7           Brokered Deposits (a) (umber of institutions)         33         3         3         2         2         2           Brokered Deposits (a) (umber of institutions)         33         3         3         3         3         3 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Cost of Funding Earning Assets (median %)   2.70   2.66   2.80   3.07   3.41   Provisions to Avg. Assets (median %)   0.20   0.20   0.20   0.21   0.17   Noninterest Income to Avg. Assets (median %)   0.65   0.67   0.70   0.70   0.73   0.70   0.70   0.73   0.70   0.						
Provisions to Avg. Assets (median %)         0.20         0.20         0.20         0.21         0.17           Noninterest Income to Avg. Assets (median %)         0.65         0.67         0.70         0.70         0.73           Overhead to Avg. Assets (median %)         3.10         3.06         3.05         3.04         3.01           Liquidity / Sensitivity         01-05         01-04         01-03         01-02         01-01           Lons to Assets (median %)         17.7         67.7         66.0         66.6         67.1           Noncore Funding to Assets (median %)         18.9         16.2         16.6         15.8         15.2           Long term Assets to Assets (median % coll filers)         15.4         18.1         17.6         19.4         16.7           Brokered Deposits (number of institutions)         33         30         33         26         22           Brokered Deposits to Assets (median % for those above)         4.8         5.0         2.7         5.6         4.2           Loan Concentrations (median % of Tier 1 Capital)         01-05         01-04         01-03         01-02         01-01           Commercial and Industrial         71.5         78.9         84.9         83.3         87.1						
Noninterest Income to Avg. Assets (median %) Overhead to Avg. Asset (median %) Overhead to Avg. Asse						
Overhead to Avg. Assets (median %)         3.10         3.06         3.05         3.04         3.01           Liquidity / Sensitivity         Q1-05         Q1-04         Q1-03         Q1-02         Q1-01           Loans to Assets (median %)         71.7         67.7         66.0         66.6         67.1           Noncore Funding to Assets (median %)         18.9         16.2         16.6         15.8         15.2           Long-term Assets to Assets (median %, call filers)         15.4         18.1         17.6         19.4         16.7           Brokered Deposits (number of institutions)         33         30         33         26         22           Brokered Deposits (number of institutions)         33         30         33         26         22           Brokered Deposits (number of institutions)         4.8         5.0         2.7         5.6         4.2           Loan Concentrations (median % of Tier 1 Capital)         01-05         01-04         01-03         01-02         01-01           Commercial and Industrial         71.5         78.9         84.9         83.3         87.1           Commercial Real Estate         330.8         291.9         255.7         239.2         206.0           Construction & Developmen						
Liquidity / Sensitivity   Q1-05   Q1-04   Q1-03   Q1-02   Q1-01     Loans to Assets (median %)   71.7   67.7   66.0   66.6   67.1     Noncore Funding to Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets to Assets (median %, call filers)   15.4   18.1   17.6   19.4   16.7     Brokered Deposits (number of institutions)   33   30   33   26   22     Brokered Deposits to Assets (median % for those above)   4.8   5.0   2.7   5.6   4.2     Loan Concentrations (median % of Tier 1 Capital)   Q1-05   Q1-04   Q1-03   Q1-02   Q1-01     Commercial and Industrial   71.5   78.9   84.9   83.3   87.1     Commercial Real Estate   330.8   291.9   255.7   239.2   208.6     Construction & Development   69.6   56.0   44.7   44.8   29.4     Multifamily Residential Real Estate   197.0   195.5   179.2   171.4   147.6     Residential Real Estate   242.9   241.4   246.9   247.8   237.8     Consumer   43.7   50.6   60.6   75.7   76.7     Agriculture   5.5   6.0   4.3   3.8   4.1     BANKING PROFILE   Institutions in Market   Smillions   Deposits   Smillions   Distribution   Institutions     Washington-Arlington-Alexandria, DC-VA-MD-WV   99   119,767   < \$250 million to \$1 billion   74 (52.5%)     Richmond, VA   36   33,150   \$250 million to \$1 billion   74 (52.5%)     Roanoke, VA   17   4,585   \$1 billion to \$10 billion   11 (7.8%)						
Loans to Assets (median %)   71.7   67.7   66.0   66.6   67.1     Noncore Funding to Assets (median %)   18.9   16.2   16.6   15.8   15.2     Long-term Assets to Assets (median %, call filers)   15.4   18.1   17.6   19.4   16.7     Brokered Deposits (number of institutions)   33   30   33   26   22     Brokered Deposits to Assets (median % for those above)   4.8   5.0   2.7   5.6   4.2     Loan Concentrations (median % of Tier 1 Capital)   01-05   01-04   01-03   01-02   01-01     Commercial and Industrial   71.5   78.9   84.9   83.3   87.1     Commercial Real Estate   330.8   291.9   255.7   239.2   208.6     Construction & Development   69.6   56.0   44.7   44.8   29.4     Multifamily Residential Real Estate   9.6   6.6   5.6   5.9   6.1     Nonresidential Real Estate   197.0   195.5   179.2   171.4   147.6     Residential Real Estate   242.9   241.4   246.9   247.8   237.8     Consumer   43.7   50.6   60.6   75.7   76.7     Agriculture   5.5   6.0   4.3   3.8   4.1     BANKING PROFILE   Institutions in Deposits   Asset     Largest Deposit Markets   Market   (\$millions)	•					
Noncore Funding to Assets (median %)   18.9   16.2   16.6   15.8   15.2	• • •					
Description   Sasets (median %, call filers)   15.4   18.1   17.6   19.4   16.7						
Brokered Deposits (number of institutions)         33         30         33         26         22           Brokered Deposits to Assets (median % for those above)         4.8         5.0         2.7         5.6         4.2           Loan Concentrations (median % of Tier 1 Capital)         01-05         01-04         01-03         01-02         01-01           Commercial and Industrial         71.5         78.9         84.9         83.3         87.1           Commercial Real Estate         330.8         291.9         255.7         239.2         208.6           Construction & Development         69.6         56.0         44.7         44.8         29.4           Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         60.6         7.67.7         7.67.7           Agriculture         5.5         6.0         4.3         3.8         4.1           Eargest Deposit Markets         Market						
Brokered Deposits to Assets (median % for those above)         4.8         5.0         2.7         5.6         4.2           Loan Concentrations (median % of Tier 1 Capital)         Q1-05         Q1-04         Q1-03         Q1-02         Q1-01           Commercial and Industrial         71.5         78.9         84.9         83.3         87.1           Commercial Real Estate         330.8         291.9         255.7         239.2         208.6           Construction & Development         69.6         56.0         44.7         44.8         29.4           Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE           Largest Deposit Markets         Market         (\$millions)         Distribution         Institutions         Distribution         Institutions						
Loan Concentrations (median % of Tier 1 Capital)         Q1-05         Q1-04         Q1-03         Q1-02         Q1-01           Commercial and Industrial         71.5         78.9         84.9         83.3         87.1           Commercial Real Estate         330.8         291.9         255.7         239.2         208.6           Construction & Development         69.6         56.0         44.7         44.8         29.4           Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE           Vashington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million to \$10 billion to \$10 bil						
Commercial and Industrial         71.5         78.9         84.9         83.3         87.1           Commercial Real Estate         330.8         291.9         255.7         239.2         208.6           Construction & Development         69.6         56.0         44.7         44.8         29.4           Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE         Largest Deposit Markets         Market (\$ millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         < \$250 million to \$1 billion	•					
Commercial Real Estate         330.8         291.9         255.7         239.2         208.6           Construction & Development         69.6         56.0         44.7         44.8         29.4           Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE           Largest Deposit Markets         Market         (\$ millions)         Deposits         Asset           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         < \$250 million         74 (52.5%)           Richmond, VA         36         33,150         \$250 million to \$1 billion         49 (34.8%)           Virginia Beach-Norfolk-Newport News, VA-NC         32         14,965         \$1 billion to \$10 billion         7 (5%)						
Construction & Development         69.6         56.0         44.7         44.8         29.4           Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE         Largest Deposit Markets         Market (\$ millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         < \$250 million						
Multifamily Residential Real Estate         9.6         6.6         5.6         5.9         6.1           Nonresidential Real Estate         197.0         195.5         179.2         171.4         147.6           Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE           Largest Deposit Markets         Market         (\$ millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million						
Nonresidential Real Estate   197.0   195.5   179.2   171.4   147.6						
Residential Real Estate         242.9         241.4         246.9         247.8         237.8           Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE           Largest Deposit Markets         Institutions in Market         Deposits (\$millions)         Asset         Legistribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million						
Consumer         43.7         50.6         60.6         75.7         76.7           Agriculture         5.5         6.0         4.3         3.8         4.1           BANKING PROFILE           Largest Deposit Markets         Institutions in Market         Deposits (\$millions)         Asset         Asset         Largest Deposit Markets         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million						
BANKING PROFILE         Institutions in Market         Deposits (\$millions)         Asset           Largest Deposit Markets         Market         (\$millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million						
Largest Deposit Markets         Market         (\$ millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million	Agriculture	5.5	6.0	4.3	3.8	4.1
Largest Deposit Markets         Market         (\$ millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million	•					
Largest Deposit Markets         Market         (\$ millions)         Distribution         Institutions           Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million		Institutions in	Denneite		Accet	
Washington-Arlington-Alexandria, DC-VA-MD-WV         99         119,767         <\$250 million         74 (52.5%)           Richmond, VA         36         33,150         \$250 million to \$1 billion         49 (34.8%)           Virginia Beach-Norfolk-Newport News, VA-NC         32         14,965         \$1 billion to \$10 billion         11 (7.8%)           Roanoke, VA         17         4,585         >\$10 billion         7 (5%)	Largest Denosit Markets					Institutions
Richmond, VA       36       33,150       \$250 million to \$1 billion       49 (34.8%)         Virginia Beach-Norfolk-Newport News, VA-NC       32       14,965       \$1 billion to \$10 billion       11 (7.8%)         Roanoke, VA       17       4,585       >\$10 billion       7 (5%)				_		
Virginia Beach-Norfolk-Newport News, VA-NC         32         14,965         \$1 billion to \$10 billion         11 (7.8%)           Roanoke, VA         17         4,585         >\$10 billion         7 (5%)				\$250 m		
Roanoke, VA 17 4,585 >\$10 billion 7 (5% )						
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